



Multi-channel, multi-bank EMI Solution From Innoviti

A product in partnership with Visa



Why EMI, Options, Issues?

Why EMI?

- Consumers often postpone purchase due to lack of easy loans
- Merchants wish to pull in new customer segments

Loan options for consumers	Issues
Credit cards (paying only minimum amount due at end of month)	High interest on late payment - 2.99% p.m.
Personal loans from banks	Cumbersome paper work, not instant, high interest rate 1.5% p.m.
EMI limited to terminal providing bank, bank gateway (e.g. HDFC, ICICI)	Limits consumer credit card choice
Consumer finance companies (Bajaj Finance)	Cumbersome paper work, high interest rate, 14% p.a.

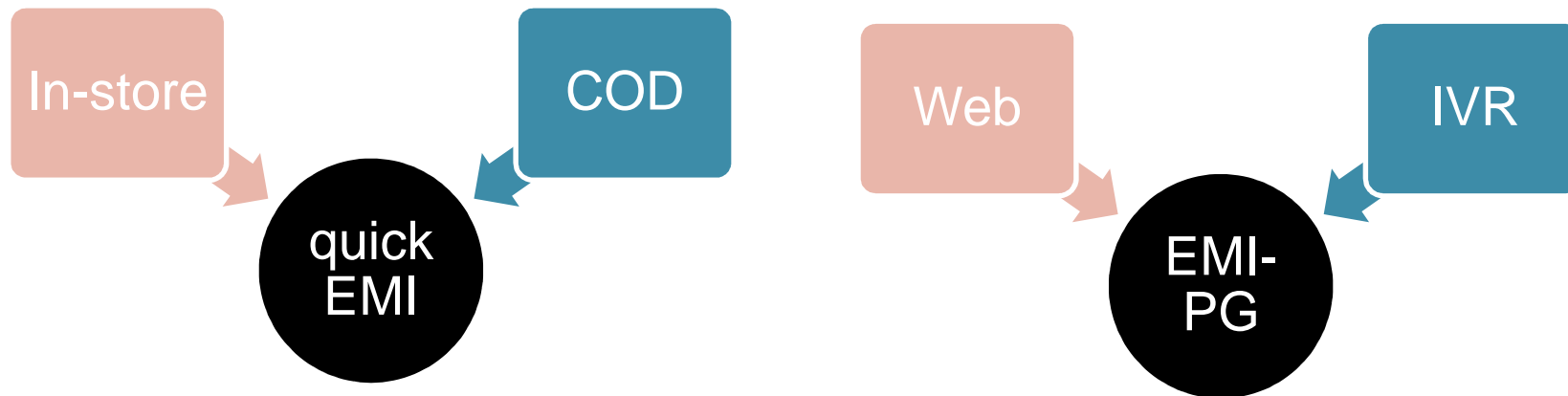
Multi-bank EMI Program From Innoviti

- Provides consumers instant, low-cost loan on their credit cards
- Solution available for online, IVR, in-store and at-home purchases
- Loan provided by credit card issuer, on any credit card
- Loan (EMI) charges borne by merchant or consumer

Bank	Card base (in million)	% Share	Rank
HDFC	5.1	26%	1
ICICI	5.0	25%	2
SBI	2.8	14%	3
Citibank	2.0	10%	4
SCB	1.8	9%	5
HSBC	1.6	8%	6
AXIS	0.7	4%	7
Kotak	0.1	1%	8
Others	0.9	4%	9
Total	20	100%	

EMI on 96% of India's card base

Innoviti's Multi-bank EMI Platform



Innoviti provides two platforms:

- quickEMI for in-store and COD EMI
- EMI-PG for web and IVR EMI



Benefits

- Consumer
 - Simple hassle free
 - Low interest rates – 0.8% to 1% per month
 - Manage cash flow
- Merchant
 - Increase in average bill value
 - Improve conversions
 - Expand consumer base
 - Alternative to discounting, preserving margins



Innoviti Solution – Unique Features

- Only product covering 96% of card base
- No change in existing acquiring bank required
 - Ideal for franchisee EMI signups
- Only solution to address all consumer channels
 - In-store, COD, IVR, Web
- Unique subvention flexibility feature
- Unique off-us model for no change in funding bank

Subvention Flexibility Feature – Product Guide

- Price of item: Rs. 3,000
- EMI selected: 3 months
- Subvention: 3%

Subvention Model	When to use?	Customer web price	Merchant pays bank	Customer charged on card statement		
				Month 1	Month 2	Month 3
Merchant	Time/product promotion	Rs 3000	Rs. 90	Rs. 1000	Rs. 1000	Rs. 1000
Customer	Manage cash flow	Rs 3000	Nil	Rs. 90 + Rs. 1000	Rs. 1000	Rs. 1000
Merchant collects from customer	Promotion + cash flow	Rs 3090	Rs. 92.7	Rs. 1030	Rs. 1030	Rs. 1030

Customers For quickEMI, pgEMI



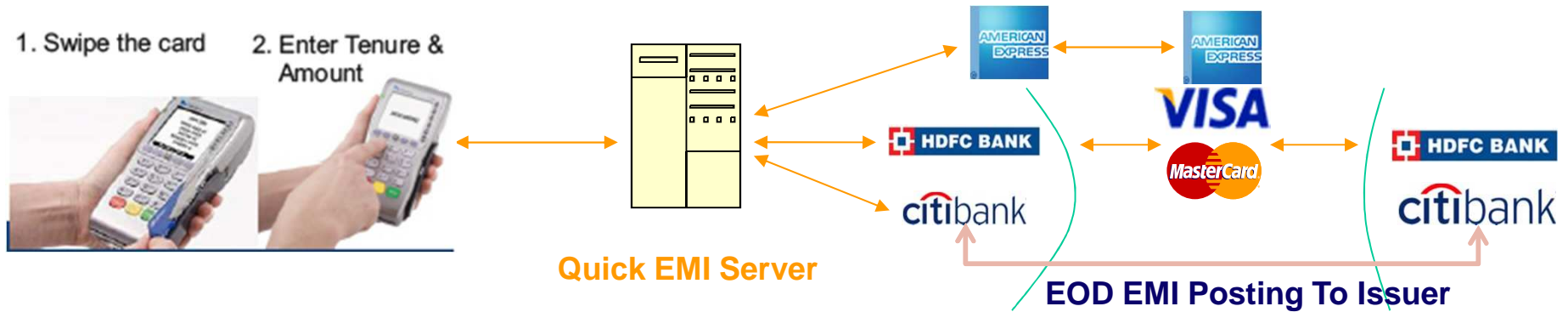


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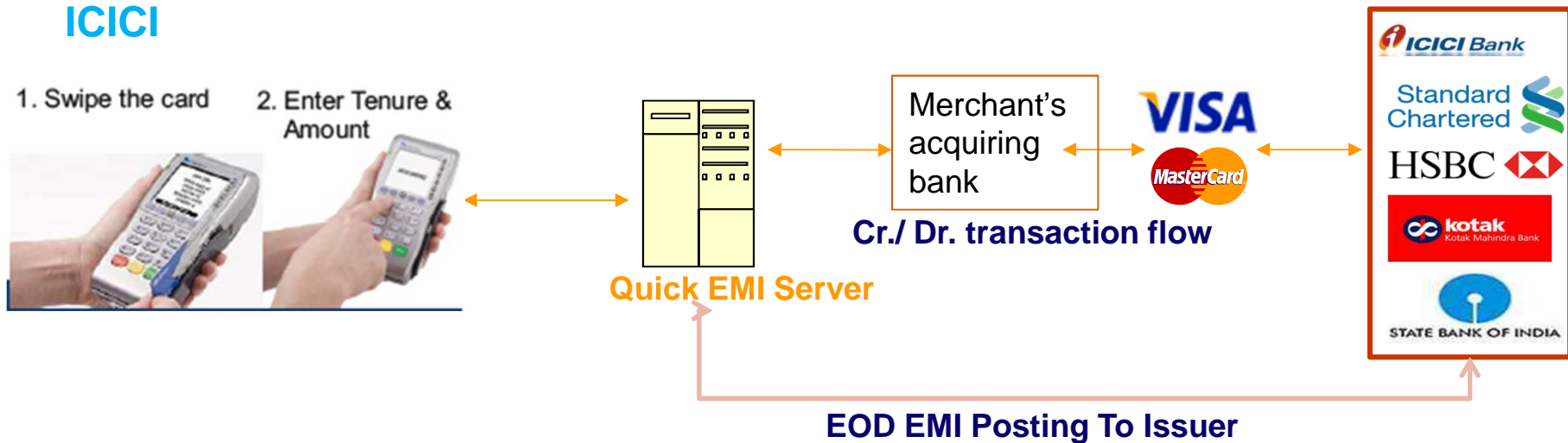
quickEMI

How It Works?

Transaction Flow For HDFC, Citibank & AMEX

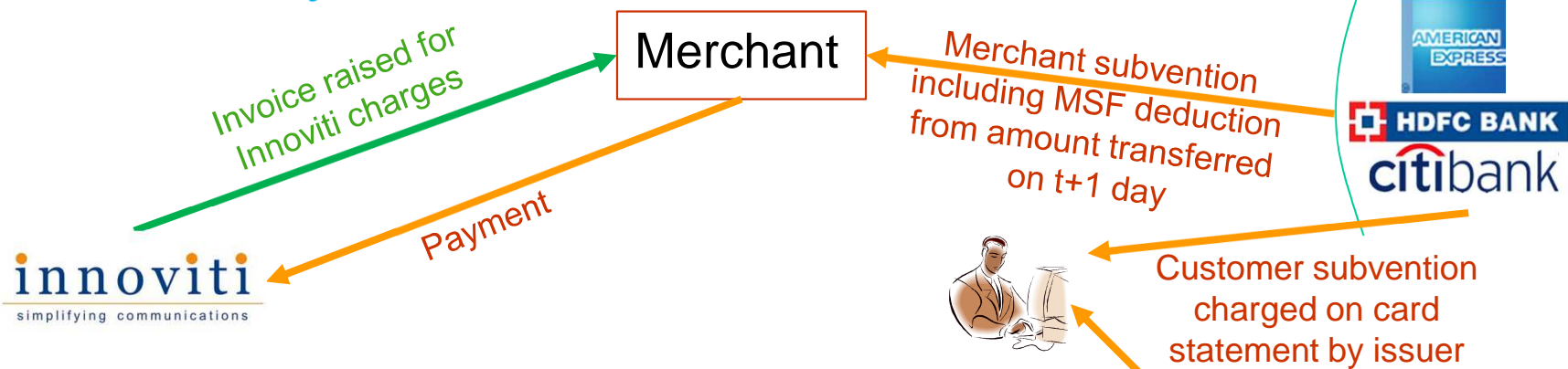


Transaction Flow For Kotak, AXIS, SBI, HSBC, Standard Chartered and ICICI

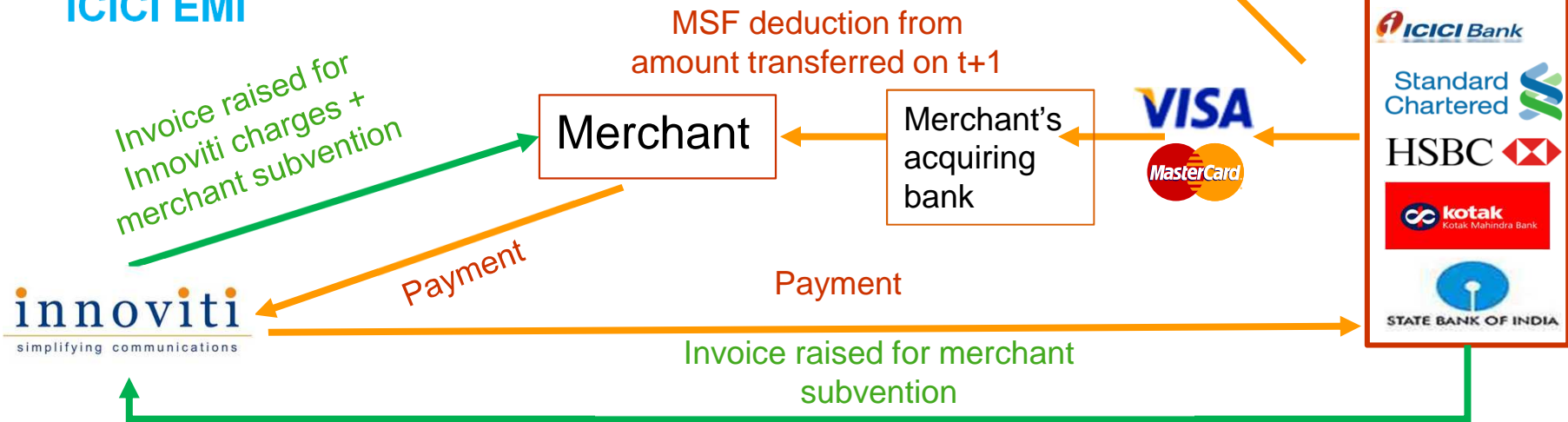


Fund Flow

Payment Flow For HDFC, Citibank & AMEX EMI



Payment Flow For Kotak, Axis, SBI, HSBC, Standard Chartered and ICICI EMI

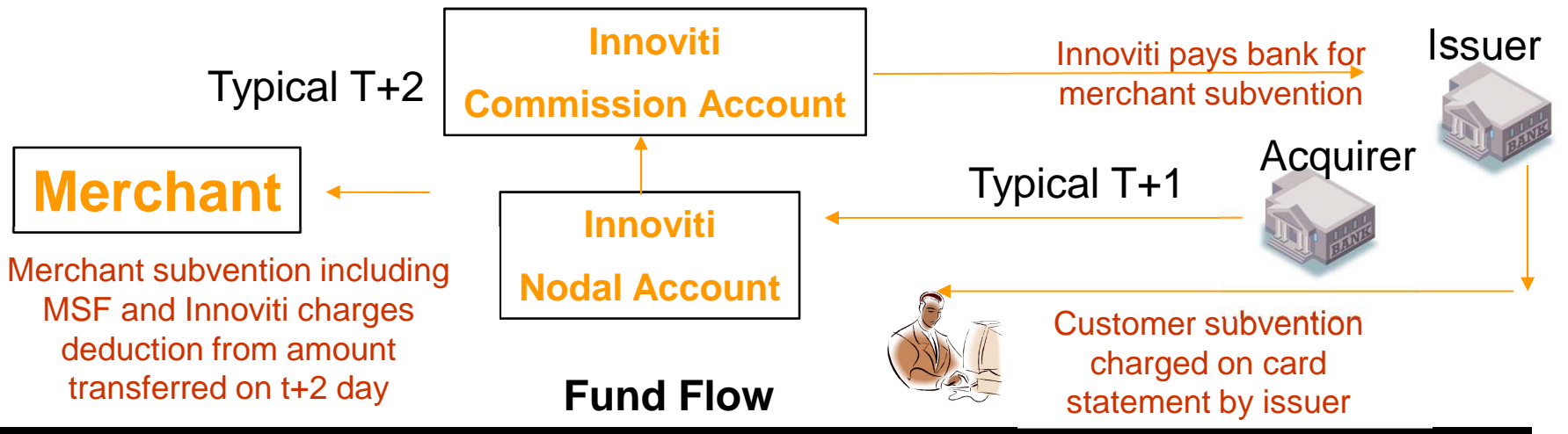
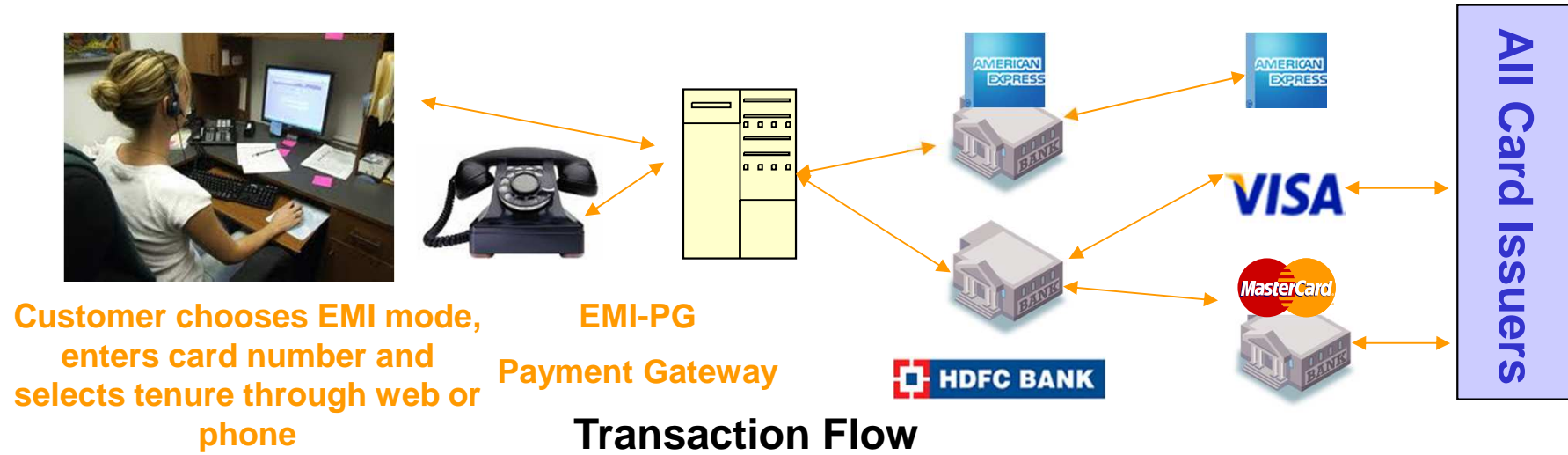




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pgEMI

pgEMI, How It Works, Fund Flow





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Frequently Asked Questions



How Do We Setup Innoviti EMI Solution?

- quickEMI
 - POS installed at store, staff trained
- pgEMI
 - Innoviti gateway integrated with merchant website
- In both cases marketing support from issuers:
 - Statement inserts
 - Website listing
 - SMS blast



How Does Merchant Get The Money? How Is Subvention Charged?

- quickEMI
 - Money from existing acquiring bank
 - Merchant subvention invoiced by Innoviti to merchant and paid to issuers
- pgEMI
 - Money net of merchant subvention paid to merchant by Innoviti
- In both cases, customer subvention charged to customer directly by issuer



How Is This Different From What HDFC and Citibank Provide On Their Terminals?

- HDFC and Citibank solutions are bank card specific – address only 36% market
- 64% market is not addressed
- quickEMI supports 98% of market, including HDFC and Citibank

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EMI Conversion Related Questions?

- When does transaction get converted to EMI?
 - Typically within 72 hours of transaction happening
- Does it take 72 hours even for HDFC/Citibank?
 - Yes
- Can the bank reject EMI conversion even if approved on POS?
 - Yes, the bank can reject without informing customer
- Does the subvention get charged on monthly reducing balance?
 - No, the subvention is charged upfront on principle amount



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Market Snapshot



Credit Card Merchant EMI Market Snapshot

Segments

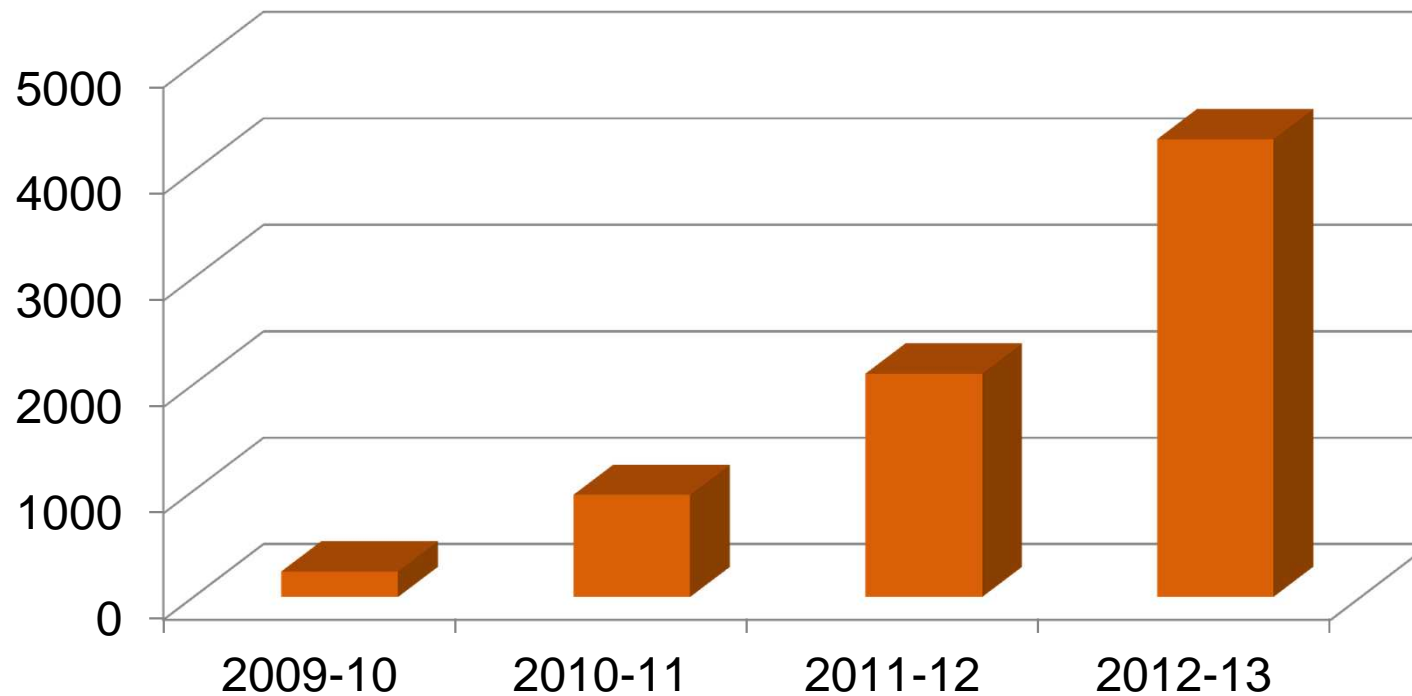
- Consumer durables and IT
- Mobiles
- Travel and vacations
- Jewellery
- Furniture

Subvention models

- Manufacturer
- Customer
- Merchant
- Card issuers

Credit-card Merchant EMI Market Growth

EMI (Cr) annual

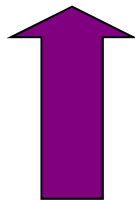


Case Study: Mobile Category

Change in ABV

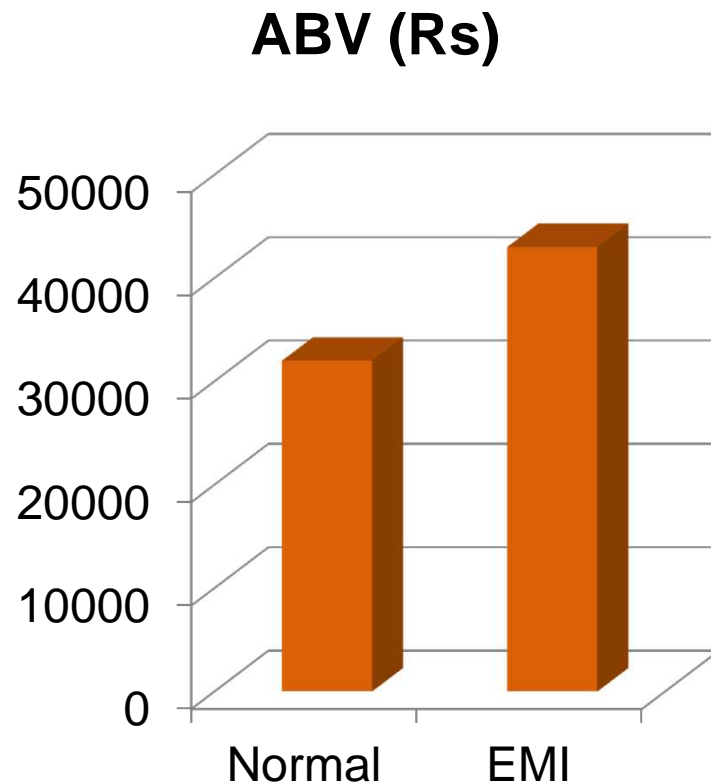
	ABV (Rs)
Normal	7654.99
Normal + EMI	8700.08

+13.65%



- Operating in 350 stores
- 1.2% absorbed by merchant, rest customer
- Multi-bank (HDFC, ICICI, Citi, AXIS, SBI)
- 40% sales increase in Rs 3000-7000 category
- Percentage of all transactions on EMI: 12%

Case Study: Jewellery Category



- 1.2% absorbed by merchant, rest customer
 - 2.5% for 3 months
 - 4.5% for 6 months
- 75 lakhs/month on 3.5 Cr monthly
- EMI: 20% of all transactions



Customer Profile And Merchant EMI

- Transactor:
 - Will increase ABV for a 0% or mixed EMI scheme
 - Will increase conversions
- Fence-sitter:
 - Increase walk-ins
 - Impulse purchase



Thank You
